

FILED  
Western District of Washington  
at Seattle

OCT -7 2010

MARK L. HATCHER, CLERK  
OF THE BANKRUPTCY COURT

IN THE UNITED STATE BANKRUPTCY COURT  
OF THE WESTERN DISTRICT OF WASHINGTON

Electric Vehicle Components, LLC

and

Electric Vehicle Components, Inc.

Debtors.

NO. ~~10-18150~~  
10 - 18151

MOTION FOR DISMISSAL

COMES NOW the creditors, ROY MANN and twenty-two others, by and through their attorney, KEN VALZ, and, pursuant to 18 U.S.C. sec. 157, join with the Trustee, MICHAEL B. MC CARTY, to move to dismiss these Bankruptcy Petitions.

These requests are based upon the files and records herein and the attached documents from Roy Mann vs. James H. Morrison, et. al., Thurston County Superior Court No. 10-2-00952-1, indicating that the Superior Court has found Mr. Morrison in contempt of court for violation of it's orders prohibiting the sale of assets of the Debtors and the attached Memorandum.

SUBMITTED this 6 day of October, 2010.

KEN VALZ WSBA #12068  
Valz, Houser, Kogut & Barnes, PS  
Attorneys for Plaintiffs

Motion for Dismissal- 1

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FILED  
SUPERIOR COURT  
THURSTON COUNTY WA

10 OCT -1 P4:45

X EXPEDITE

x Hearing is set:

Date: \_\_\_\_\_

Time: 9am

Judge/Calender: \_\_\_\_\_ Civil Mot.

BETTY COULD CLERK

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON  
IN AND FOR THE COUNTY OF THURSTON

DEPUTY

ROY MANN, et. al.,  
Plaintiffs,

NO. 10 2 00952 1

vs.

ORDER AT HEARING:  
Findings of Fact, Conclusions of Law;  
Imposition of Coercive Contempt  
Sanctions

JAMES HENRY MORRISON and  
"JANE DOE" MORRISON, husband  
and wife, et. al.,

Defendants.

THIS MATTER having come on for hearing and the plaintiffs appearing by and through their attorney, Ken Valz, and the defendant, DAVID WAYNE KOIS, II, appearing in person and the defendant, JAMES HENRY MORRISON, et ux., appearing in person by and through their attorney, Michael S. Essig, and the court having reviewed the files and records herein and having heard the arguments of counsel, the court hereby makes the following

Order at Hearing - 1

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1  
2  
3 FINDINGS OF FACT  
4

5 1. On July 30, 2010, this court entered an order prohibiting the defendant, James  
6 Henry Morrison, from " any delivery, transfer, or movement of all products including  
7 batteries, that were received from or are being or will be received for the parties at  
8 International Freight and any other property of ELECTRIC VEHICLE COMPONENTS,  
9 LLC or ELECTRIC VEHICLE COMPONENTS, INC. located in warehouses in  
10 Issaquah, Washington at the addresses of Rowley Properties, 1595 NW Gilman Blvd., #1,  
11 Issaquah, Washington 98027 and Issaquah Business Park at 1085 12<sup>th</sup> Ave. NW, Suite D-  
12 Issaquah, Washington 98027."  
13  
14

15 2. James Morrison was present and in the court room during the entry of the  
16 court's order on July 30, 2010.

17 2. The court has reviewed the Declarations of David Kois, William J. Bitner and  
18 Edwin J. Bailen, filed on September 8, 2010 and the Response to Motion for Review of  
19 Orders, filed September 16, 2010 by Michael Essig, the attorney for defendant Morrison.  
20

21 3. Based upon these documents, the court has concluded, beyond a reasonable  
22 doubt, that James Henry Morrison, has violated the court's order of July 30, 2010 by  
23 selling EVC inventory and other property that was included in the court's order prohibiting  
24 such transfers and sales.  
25

Order at Hearing - 2

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1  
2  
3 4. At a hearing on September 17, 2010, this court entered an order requiring the  
4 defendant, James Henry Morrison, to meet with the Bankruptcy Trustee, Michael B.  
5 McCarty, and David Kois on Wednesday, September 22, 2010 at Noon at Rowley  
6 Properties and the Issaquah Business Park and allow the Bankruptcy Trustee and his  
7 assistants and David Kois access to all areas containing Electric Vehicle Component  
8 assets.  
9

10 5. At a hearing on September 17, 2010, this court entered an order requiring the  
11 defendant, James Henry Morrison, to file with the court and serve on all parties an  
12 accounting of all assets of ELECTRIC VEHICLE COMPONENTS, LLC and ELECTRIC  
13 VEHICLE COMPONENTS, INC. sold by him since July 2, 2010. This accounting was  
14 ordered to be filed no later than 5 pm on Wednesday, September 29, 2010.  
15

16 6. Based upon the Declaration of David Kois, filed September 30, 2010, and the  
17 failure to file the required documents by the defendant, James Henry Morrison, this court  
18 has concluded that James Henry Morrison, has violated the court's order of September 17,  
19 2010.  
20

21 7. Based upon the above, the court has concluded that the defendant, James  
22 Morrison, is unable to comply with this court's orders without coercive remedies and that  
23 immediate orders should be imposed to prevent further conversion of EVC assets by Mr.  
24 Morrison.  
25

Order at Hearing - 3

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1  
2  
3 Based upon the above Findings of Fact, the court makes the following

4 CONCLUSIONS OF LAW

5 1. The court has the authority to enforce it's orders with remedial sanctions,  
6 pursuant to RCW 7.21.030, and proceed with a Contempt of Court hearing.

7  
8 2. Notice of this hearing, pursuant to RCW 7.20.030(1), is required and was given  
9 to the attorney for the defendant, Michael Essig, by registered mail on September 20,  
10 2010.

11 3. The defendant, James Morrison, has the ability to comply and perform the  
12 orders entered by the court, as required by RCW 7.21.030(2).

13 4. The acts of the defendant, James Morrison, have been a direct disobedience of  
14 the lawful orders of this court, as defined in RCW 7.21.010(1)(b).

15 5. Imprisonment of the defendant, James Morrison, as defined in  
16 RCW 7.21.030(2)(a), should only be imposed for coercive purposes and only to effectuate  
17 compliance with this court's orders.

18 6. The imposition of attorney fees, pursuant to RCW 7.21.030(3), are appropriate  
19 in this matter.

20  
21 Based upon the foregoing Findings of Fact and Conclusions of Law,  
22 it is hereby  
23  
24  
25

Order at Hearing - 4

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1  
2 ORDERED as follows:

3 1. The defendant James H. Morrison and his attorney, Michael Essig, shall turn  
4 over control of all products including batteries, that were received from or are being or  
5 will be received for the parties at International Freight, and any other property of  
6 ELECTRIC VEHICLE COMPONENTS, LLC or ELECTRIC VEHICLE  
7 COMPONENTS, INC. located in warehouses in Issaquah, Washington at the addresses of  
8 Rowley Properties, 1595 NW Gilman Blvd., #1, Issaquah, Washington 98027 and  
9 Issaquah Business Park at 1085 12<sup>th</sup> Ave. NW, Suite D-6, Issaquah, Washington 98027, to  
10 the possession of the attorney for the plaintiffs, Ken Valz or his designees, no later than  
11 Tuesday, October 5, 2010 at 5 pm. Should the defendant, James H. Morrison, fail to  
12 comply with this order by October 5, 2010, then this order shall be presented to the owners  
13 of the real property and the plaintiffs' designee shall enter and take control of the above  
14 assets.  
15  
16

17 2. James H. Morrison shall file with the court and serve on all parties an  
18 accounting, under oath, of all assets of ELECTRIC VEHICLE COMPONENTS, LLC and  
19 ELECTRIC VEHICLE COMPONENTS, INC. sold by him since July 2, 2010, the date of  
20 this court's restraining order prohibiting sale of assets, listing the name of buyer, date of  
21 sale, a specific description of asset sold and the sale amount tendered by buyer. This  
22 accounting shall be filed no later than Tuesday, October 5, 2010 at 5 pm.  
23  
24  
25

Order at Hearing - 5

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1  
2 3. Thirty days of incarceration are imposed on James H. Morrison in the Thurston  
3 County Jail beginning Wednesday, October 6, 2010. Should James H. Morrison fail to  
4 appear at the Thurston County Jail, for this incarceration, then a warrant shall be issued for  
5 his arrest. However, no incarceration shall be imposed if James H. Morrison complies  
6 with the orders contained in paragraphs 1 and 2 above. *TH*

7  
8 3. An award of attorney fees against James H. Morrison and on behalf of the  
9 plaintiffs, Mann, et. al., is granted *Reserved* in the amount of \_\_\_\_\_

10 4. All prior injunctions will remain in force and the plaintiffs and their attorney  
11 ~~and all parties continue to be restrained from any delivery, transfer, or movement of all~~ *TH*  
12 ~~products including batteries, that were received from or are being or will be received for~~  
13 ~~the parties at International Freight and any other property of ELECTRIC VEHICLE~~  
14 ~~COMPONENTS, LLC or ELECTRIC VEHICLE COMPONENTS, INC.~~

15  
16 DONE IN OPEN COURT this 1 day of October, 2010.

17 *[Signature]*  
18 JUDGE

19 Presented by:

20 *[Signature]*  
21 KEN VALZ WSBA#12068  
22 Valz, Houser, Kogut and Barnes, PS  
Attorneys for Plaintiffs

23 Agreed as to Form and Order:

24 *[Signature]*  
25 MICHAEL S. ESSIG WSBA#30105  
O'Brien Law Firm  
Attorneys for Defendants Morrison, et. al.

*[Signature]*  
DAVID WAYNE KOIS, II  
Defendant

Order at Hearing - 6

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1  
2  
3  
4 **IN THE UNITED STATE BANKRUPTCY COURT**  
5 **OF THE WESTERN DISTRICT OF WASHINGTON**  
6

7 **Electric Vehicle Components, LLC**

8 **and**

9 **Electric Vehicle Components, Inc.**

10 **Debtors.**  
11  
12

NO. 10 - 18150

10 - 18151

**MEMORANDUM:**  
**Dismissal**

13  
14 COMES NOW the creditors, ROY MANN and twenty-two other customers, by  
15 and through their attorney, KEN VALZ, and file the following Memorandum in support of  
16 their request that the court dismiss these Bankruptcy Petitions.  
17

18 **BACKGROUND**  
19

20 Electric Vehicle Components, LLC was created on April 21, 2009 by James  
21 Morrison and David Kois. Electric Vehicle Components, LLC (EVC, LLC) did business  
22 at a warehouse in Thurston County. The address for EVC was 5709 Lacey Blvd. SE,  
23 Unit 205, Lacey, Washington. The registered agent for the LLC is Unisearch, Inc. located  
24 at 1780 Barnes Blvd., Tumwater, Thurston County, Washington.  
25

Dismissal Memorandum- 1

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1 During it's existence, EVC, LLC primarily sold electric car batteries, ordered from  
2 China, to customers throughout the US and Europe. During 2009 and 2010, EVC, LLC  
3 advertised using the internet soliciting orders for it's Lacey headquarters.

4 James Morrison handled all financial affairs for EVC, LLC and was the only  
5 person authorized to write checks and purchase orders for EVC, LLC. Kois primarily  
6 directed daily business operations.

7 Starting in late 2009, Kois became suspicious of Morrison's business practices.  
8 Morrison had taken customer money out of the EVC, LLC bank accounts and began to  
9 deposit these sums into Morrison's personal accounts. At the same time, Morrison hired  
10 Patricia Mary Valdez aka Patricia Mary Rosa aka Patricia Mary Rose (DOB 6/2/62) to  
11 assist him in handling the finances of EVC, LLC. Kois investigated Rosa and discovered  
12 that Rosa had prior theft convictions and a pending felony theft warrant in Pierce County.  
13

14 During early 2010, Kois learned that while EVC, LLC was accepting money from  
15 customers for battery orders, none of the orders were being filled. Customers began to  
16 contact the EVC business demanding their orders or a return of monies paid to EVC.  
17

18 During March, 2010, Kois, and fellow EVC, LLC employees Mike Wilmon and  
19 Travis Travelstead confronted Morrison about his business practices. Morrison refused to  
20 respond and Kois, Wilmon, Travelstead became uncomfortable about their business  
21 operations with Morrison. Kois also discovered that Morrison had begun to transfer more  
22 EVC, LLC funds to Morrison's personal accounts in Issaquah, Washington. For his own  
23 protection, Kois began to electronically copy Morrison's EVC bank records and  
24 transactions.  
25

Dismissal Memorandum- 2

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1  
2 On April 6, 2010, due to business tensions, EVC, LLC was dissolved. However,  
3 the EVC physical assets and batteries remained at the Lacey, Washington warehouse.  
4

5 On April 6, 2010, Morrison created EVC, Inc. EVC, Inc. continued to solicit  
6 orders from customers and continued to advertise using the same EVC, LLC website.  
7 Again, after customers paid EVC money, Morrison continued to move the money paid by  
8 the customers to his personal accounts and no orders were filled.  
9

10 On April 21, 2010, Morrison transferred \$ 118,000.00 of money collected from  
11 customers from the EVC bank account to his own personal bank account.  
12

13 More angry customers began to file complaints with EVC and also with the  
14 Washington Attorney General and the Lacey Police Department.  
15

16 During late April and early May, 2010, Morrison moved all EVC physical assets to  
17 two Issaquah, Washington warehouses. The value of these assets are estimated at  
18 \$200,000.00 and the assets are mostly batteries. After moving the batteries, Morrison  
19 began to sell the customers' orders to other individuals over the internet. During May,  
20 2010, Morrison obtained over \$ 30,000.00 by selling these same batteries twice.  
21

22 During June, 2010, twenty-three EVC customers filed a Consumer Protection Act  
23 lawsuit against Morrison and EVC requesting a return of approximately \$150,000.00 paid  
24 to Morrison during the period November 1, 2009 to May 15, 2010. On July 2, 2010, the  
25 Thurston County Superior Court entered restraining orders preventing Morrison from  
making any further sales of the customers's orders and EVC assets.

Dismissal Memorandum- 3

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1  
2 To avoid the jurisdiction of the Thurston County Superior Court, on July 15, 2010,  
3 Morrison filed a Bankruptcy Petition for EVC, LLC without the knowledge or agreement  
4 of co owner, David Kois. A similar Bankruptcy Petition was filed for EVC, Inc. by  
5 Morrison on the same date.  
6

7 It is estimated that Morrison has personally received approximately \$148,000.00 of  
8 internet customers' money through his scheme and artifice and retains approximately  
9 \$ 200,000.00 of batteries paid for by these customers in the Issaquah warehouses. The  
10 total number of victims is unknown.  
11

12  
13 CONCLUSION

14 None of the above financial information was contained in any of the Petitions filed  
15 by Mr. Morrison. These matter should be dismissed and the EVC assets should be  
16 returned to the jurisdiction of the Thurston County Superior Court.  
17

18  
19 SUBMITTED this 18<sup>th</sup> day of August, 2010.

20  
21  
22   
23 KEN VALZ WSBA #12068  
24 Valz, Houser, Kogut & Barnes, PS  
25 Attorneys for Customer Creditors

Dismissal Memorandum- 4

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